

California Integrated Waste Management Board



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Arnold Schwarzenegger
Governor

November 17, 2005

Itaru Sato
Manager, Corporate Environmental Affairs
SHARP Electronics Corporation
SHARP Plaza
Mahwah, New Jersey 07430-2135

Dear Mr. Sato:

Thank you for your response to our letter dated September 19, 2005, regarding an effort by the California Integrated Waste Management Board (CIWMB) and the Department of General Services (DGS) to establish an environmentally preferable product (EPP) standard for printer and duplication cartridges. Your comments and suggestions were informative and helpful. In your letter dated October 11, 2005, you offered a number of suggestions. In an effort to continue our dialogue, I have the following responses.

I. Definition of the Toner Cartridge

We would like to adopt your suggested language and propose the following definition for toner cartridge:

A cartridge for printing and duplication is a cartridge that is comprised of two or more of the following:

Photo sensor, photo development unit, and toner container filled with toner.
Such a cartridge may be used in electro photographic printers, copiers, facsimilie, and multifunctional devices.

II. Tier 1 Definition of Recycled and Remanufactured

For the definition of Recycled products, we have adopted the following definition contained in Section 12200 of the California Public Contract Code (PCC):

Recycled product means all materials, goods, and supplies, no less than 10 percent of its total weight consisting of postconsumer material.

Additionally, in keeping with the California Integrated Waste Management Board's waste management hierarchy, it is preferred that the recovered material be recycled to a higher use,

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Printed on Recycled Paper

such as postconsumer plastic back into cartridges or durable consumer products. Furthermore, under current statute, Section 40180 of Public Resources Code, material sent to a waste-to-energy (thermal recycling) facility does not qualify as recycling.

We intend to adopt your suggestion to include additional quality criteria for remanufacturing. As you will see, we have further refined our specification to address the handling of cartridges that are not remanufactured, but put into the recycling stream.

Remanufactured is defined as follows:

A cartridge is considered remanufactured if its primary components come from a used cartridge. The used cartridge is subjected to a formal process, preferably using ISO 9000 (International Organization for Standardization) standards or a similar recognized standard, of disassembly during which time its components are cleaned and to the maximum extent necessary replaced with new or used parts. The cartridge is reassembled and a determination is made that it will operate comparably to a new cartridge with respect to print quality. The failure rate of such a remanufactured cartridge must not exceed that of a similar new cartridge.

Furthermore, a remanufactured cartridge must be processed in such a way that the replaced components and collected cartridges that are not remanufactured are responsibly managed, preferably by recycling.

We feel that a remanufactured cartridge that satisfies the above mentioned definition should be considered as having attained the EPP designation provided it fulfills the requirement of Tier 1. We hope these changes satisfy your concerns.

III. Tier 2 Benchmark 2 Table

It is our intent to encourage a greater use of postconsumer (PC) material, thereby, increasing the diversion of spent cartridges from the solid waste stream. In order to focus solely on the use of postconsumer material in the manufacture of new cartridges, we propose to delete the use of secondary materials from benchmark 2. Furthermore, the feedback from you and other interested parties indicates that the percentage of postconsumer material used in the manufacture of new cartridges can not be too high due to manufacturing process limitations. Consequently, we propose to lower the postconsumer content requirements for awarding points to attain benchmark 2 as summarized in the following table:

Percent Postconsumer Material	Points
10 or more	100
5 - 9	50

IV. Tier 2 Benchmark 2 “50 percent Recycled Content Material”

You have indicated in your letter, that it may be difficult for Sharp to meet the 50 percent recycled content requirement. As indicated above in item III, in order to focus solely on the use

of postconsumer material in the manufacture of new cartridges, we propose to delete the use of secondary materials from benchmark 2.

V. Tier 2 Benchmark 3 Remanufactured/Restored/Renovated/Repaired

It is our intent to distinguish remanufactured from restored, renovated and repaired by requiring vendors to subject the remanufactured cartridge to a formal process such as ISO 9001 or other documented standard operating procedures. We are mindful that requiring ISO 9001 can be onerous on some vendors who are environmentally responsible but lack the resources to put the ISO 9001 quality management system in place. However, we agree that a formal process is needed to differentiate between environmentally preferable remanufactured cartridges from other remanufactured cartridges. To this end we propose to revise the language of benchmark 3 by replacing “other documented standard operating procedures” with “a similar recognized standard.”

Based on the input from you and other interested parties that no cartridges are returned for repair, we propose to delete repair from the language of benchmark 3.

Additionally, remanufacturers, as part their formal process, should demonstrate sound environmental management practices for the disposition of replaced parts, containers, and cartridges that they or their supply chain collect, but do not remanufacture due to defects or other reasons. To this end we propose to revise the language of benchmark 3 to include the following:

A remanufactured cartridge must be processed in such a way that the replaced components and collected cartridges that are not remanufactured are responsibly managed, preferably by recycling.

VI. Certification

In response to your suggestion to provide additional guidelines for certification, we have proposed the following amendments to the language:

An efficient and enforceable self-certification system shall be used by the cartridge suppliers to identify those cartridge models that they designate as EPP printer and duplication cartridges. It is the intent of this standard to make it as easy as possible for potential buyers and contractors to discern an EPP cartridge from a non EPP cartridge. Self-certification by the supplier must be made in writing under penalty of perjury and be auditable and verifiable. As an alternative form of certification, vendors may choose to use any existing means of marketing to promote their EPP cartridge models to the state and local agencies such as a product label, catalogue or Web site description or advertisement that clearly state that the product meets the requirements of the California EPP standard. Vendors shall provide written certification upon request from purchasers as stipulated in their bid packages and/or purchase contracts.

Since diversion of cartridges from the solid waste stream is one of the major goals of the EPP standard, compliance with the relevant collection rate threshold shall be maintained for the duration of a contract in order to substantiate an EPP claim for a cartridge model.

Vendors shall certify in writing that any environmental claims they make concerning their products are consistent with the Federal Trade Commission's Guidelines for the Use of Environmental Marketing Terms as stipulated in part 260 – Guides for the Use of Environmental Marketing Claims.

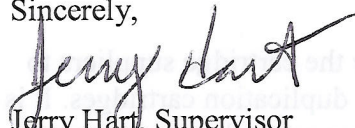
Once the standard is established, purchasers, as part of their normal business practices, may enter into contract with vendors and request EPP cartridges if they so desire. The requirements of the EPP standard for printer and duplication cartridges can be incorporated into the contract as an element of the specification in the contractual agreement between vendors and purchasers.

In our previous correspondences with you we had indicated that CIWMB staff would schedule conference calls and/or workshops at any time during the process as needed. Based on our communications with you and other interested parties over the past six months, we feel that we have achieved consensus on major aspects of the EPP standard for printer and duplication cartridges. Therefore, it is time to bring all of the stakeholders together to discuss the outstanding issues and finalize the standard. Consequently, we have scheduled a workshop for Monday, December 12, 2005 at our Cal-EPA building at 10th and I Street in Sacramento. The meeting will be held in Conference Room 230, 2nd floor from 1:00 p.m. to 4:00 p.m. We ask you to respond via e-mail to Mr. Fareed Ferhut at fferhut@ciwmb.ca.gov and indicate whether you will attend this workshop.

I would like to thank you again for responding to our letter with helpful comments and suggestions. I look forward to continuing our dialogue and working together towards establishing an environmentally preferable standard for printer and duplication cartridges. We will be sending our next letter to the interested parties on November 17, 2005, and encourage you to continue your assistance in this effort.

If you have any questions or comments, please contact Mr. Fareed Ferhut at fferhut@ciwmb.ca.gov or (916) 341-6482. I hope to see you at the workshop.

Sincerely,



Jerry Hart, Supervisor
Buy Recycled Section

Cc: Bill Orr, CIWMB
Fareed Ferhut, CIWMB